



Paper and Paper Products

Why Trade Matters

INDUSTRY SECTOR REPORT

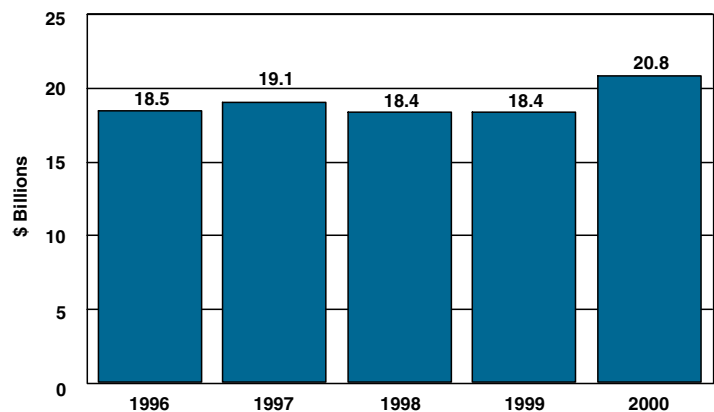
General information on exports. The United States exported more than \$20 billion in paper and paper products in 2000. The U.S. paper and paper products industry is among the most globally competitive of all American manufacturing sectors. Export sales are critical to the future growth of the paper and paper products sector.

Market development. Latin America holds tremendous export potential for U.S. paper companies. Countries in this region currently have large populations and low per capita consumption of paper products, but with overall economic expansion, demand for paper products will increase.

Tariffs. The U.S. paper industry still faces high tariffs in World Trade Organization member countries that are not signatories to the Uruguay Round sectoral initiative. Today, most U.S. tariffs on paper and paper products are zero or very low, while tariffs in such key competitor and consuming countries as Brazil, Chile, Indonesia, Malaysia, Thailand, Colombia, and Venezuela are still high.

Nontariff barriers. The U.S. paper industry faces a number of nontariff barriers in key foreign markets including import surcharges, import quotas, restrictive import permits and licenses, discriminatory application of value added taxes, and inadequate intellectual property protection for printed material.

U.S. Exports of Paper and Paper Products, 1996–2000





Paper and Paper Products

Small and medium-sized enterprises. There were more than 9,800 small and medium-sized exporters of paper products in 1998, representing nearly 30 percent of exports in this sector.

Employment opportunities. Approximately 657,000 people are employed by the paper and allied products sector. U.S. domestic employment in the paper industry decreased by 2 percent, or 15,000 jobs, between 1997 to 1999 due to mergers and consolidations within the industry.

Key producing states. There is paper production in virtually every state, principally Washington, Tennessee, Georgia, Wisconsin, Alabama, Maryland, Maine and Delaware.

The sector. This sector covers all of the paper and paper products in the Uruguay Round sectoral initiative, including pulp, paper, and printed material.

BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- In the Uruguay Round, the United States was successful in negotiating a tariff elimination initiative for paper and paper products with its principal trading partners. As a result, European Union and Japanese paper and paperboard tariffs will be eliminated by 2004. Other markets that are fully participating in the sectoral initiative are South Korea, Finland, Austria, New Zealand, Singapore, and Hong Kong.